

CHAPTER 16
VOCATIONAL NURSE SCHOLARSHIP AND LOAN REPAYMENT PROGRAM

ARTICLE 1. GENERAL PROVISIONS

Section 97900 Chapter Definitions

The following definitions shall apply to the regulations contained in this Chapter:

- (a) “Academic year” means a period of time, usually eight or nine months, which a full-time college or university student would normally be expected to complete the equivalent of two semesters or three quarters of instruction.
- (b) “Associate degree nursing program” means an education program with a two or three year curriculum that includes nursing theory and clinical coursework that leads to an associate degree of nursing. Graduates of associate degree nursing programs are eligible to take the state board examination to become registered nurses in California.
- (c) “Contract” means a written agreement between the Office and a recipient of a scholarship or loan repayment, which obligates the recipient, in exchange for financial assistance, to practice their profession in a medically underserved area in California for a specified period of time after graduation.
- (d) “Direct patient care” means the provision of health care services directly to individuals being treated for, or suspected of having, physical or mental illness. Direct patient care includes preventative care. The first line supervision of direct patient care shall be considered “direct patient care.”
- (e) “Director” means the Director of the Office of Statewide Health Planning and Development.
- (f) “Educational loan” means a loan of money by a commercial lender or a government entity, which requires repayment with interest, and was obtained by an individual for the purpose of defraying the costs associated with vocational nursing education.
- (g) “Full-time student” means a student who is enrolled in a semester, trimester, or quarter program of not less than twelve (12) credit hours or units or their equivalent, and can reasonably expect to graduate, if the student progresses in good standing, in the recognized number of academic years it takes a full-time student to graduate.
- (h) “Part-time student” means a student who is enrolled in a semester, trimester, or quarter program of not less than six (6) credit hours or units or their equivalent.
- (i) “Medically underserved area” means any of the following:
 - (1) A Medically Underserved Area or Medically Underserved Population (MUA or MUP) as designated by the U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions’ Shortage Designation Branch.
 - (2) A Primary Care Health Professional Shortage Area (HPSA) as designated by the U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions’ Shortage Designation Branch.
 - (3) A California Primary Care Shortage Area as designated by the California Healthcare Workforce Policy Commission.
 - (4) A facility determined by the Director to have a shortage of nursing personnel under section 128385 of the Health and Safety Code.
- (j) “Office” means the Office of Statewide Health Planning and Development.

- (k) “Registered Nurse Education Program” means the program established pursuant to Section 128385 of the Health and Safety Code.
- (l) “Scholarship” means financial assistance provided to an eligible individual who agrees, in return for the assistance, to practice their nursing profession for a specified period of time in a medically underserved area in California.
- (m) “Service obligation” means the contractual obligation agreed to by a recipient of a scholarship or loan repayment where the recipient agrees to practice their nursing profession for a specified period of time in a medically underserved area in California.
- (n) “Vocational nurse” means a person licensed to practice nursing under the Vocational Nursing Practice Act (commencing with Business and Professions Code Section 2840).
- (o) “Vocational nursing program” means a fourteen- to twenty four-month education program, which includes nursing theory and clinical coursework that leads to the state certification exam to become a licensed vocational nurse.
- (p) “Vocational Nurse Education Fund” means the fund established pursuant to Section 128475 of the Health and Safety Code.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97901 Available Funding

The Office shall award scholarships and loan repayments to eligible applicants, subject to the availability of funds in the Vocational Nurse Education Fund.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128500, Health and Safety Code

Section 97902 Exceptions to Service or Payment Obligations

Service or payment obligations may be cancelled, waived, suspended, reduced, or delayed as specified in Section 97726 of Chapter 14 of this Division.

Authority cited: Sections 127010 and 128360, Health and Safety Code; Section 11152, Government Code

Reference: Sections 128345 and 128350, Health and Safety Code

ARTICLE 2. SCHOLARSHIP PROGRAM PROVISIONS

Section 97910 Scholarship Eligibility

- (a) An applicant for a vocational nurse scholarship must be:

- (1) (A) Accepted or enrolled as a part-time or full-time student in a vocational nursing program that is accredited by the Board of Vocational Nursing and Psychiatric Technicians, or
- (B) A licensed vocational nurse accepted or enrolled as a part-time or full-time student in an associate degree nursing program that is accredited by the Board of Registered Nursing.
- (2) Willing to commit to serve in direct patient care in a medically underserved area in California for twenty-four months.
- (b) A licensed vocational nurse applicant who is eligible to apply for the Registered Nurse Education Program (RNEP) must first apply for that program, and if rejected, will then be considered eligible to apply for the Vocational Nurse scholarship under this Chapter. Applications for the Vocational Nurse scholarship must be made within twelve (12) months of rejection for the RNEP.
- (c) An applicant who has signed a contract or written agreement with another entity to practice their vocational nursing profession in exchange for financial assistance, including tuition reimbursement, scholarship, loans, or loan repayment, shall be ineligible to receive a scholarship under this Chapter until the obligation to this other entity has been fulfilled.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97911 Duration and Terms of Scholarship Awards

- (a) The Office will award a scholarship for not more than one (1) academic year at a time.
- (b) The Office may enter into an additional scholarship contract if:
 - (1) The recipient applies for an additional scholarship;
 - (2) The additional scholarship will not extend the total period of financial assistance beyond three (3) academic years or quarter/semester equivalent; and
 - (3) The ongoing academic performance of the recipient is reported by the program, school, or institution to be a minimum cumulative grade point average of 2.0.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97912 Permissible Scholarship Costs

- (a) A scholarship for each academic year may consist of:
 - (1) Tuition; and
 - (2) Reasonable educational expenses, including required fees, books, supplies, and educational equipment.

- (b) For a scholarship that supports the vocational nursing student, the total scholarship amount per year shall not exceed the estimated annual average cost to attend vocational programs throughout California for that academic year, as provided by the California Student Aid Commission.
- (c) For a scholarship that supports the licensed vocational nurse who is an associate degree nursing student, the total scholarship amount per year shall not exceed the estimated annual average cost to attend associate degree programs throughout California for that academic year, as provided by the California Student Aid Commission.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97913 Scholarship Application Process

- (a) Each person desiring a scholarship shall submit a completed application.
- (b) For an applicant who is a vocational nursing student, a completed scholarship application shall include information and documentation to establish the following:
 - (1) Acceptance to or enrollment as a part-time or full-time student in a vocational nursing program;
 - (2) Official transcripts for highest educational level obtained;
 - (3) Health-related work experience;
 - (4) Community background, including current or prior residence in a medically underserved area in California;
 - (5) Career goals;
 - (6) Financial need, documented by either a current:
 - (A) Student Aid Report (SAR) or
 - (B) Federal tax return and all W-2s;
 - (7) The scholarship amount requested with justification for amount requested;
 - (8) Expected date of graduation and vocational nurse licensure;
 - (9) Community involvement, including extracurricular activities;
 - (10) Commitment to practice as a licensed vocational nurse for twenty-four months in a medically underserved area in California;
 - (11) Two (2) letters of recommendation, dated within six (6) months of the application deadline, including author's title, employer, mailing address, phone number, and relationship to applicant. It is recommended that at least one (1) letter be from a faculty member. It is useful if letters indicate an applicant's academic performance, work experience, community service, volunteer activities, memberships in clubs, or other experience that indicate the applicant's likelihood of program success;
 - (12) A personal statement indicating qualifications, attributes, or characteristics that would increase the likelihood the applicant would continue to practice in a medically underserved area in California after service obligation has ended; and
 - (13) Any other information the applicant believes is relevant, such as certificates, honors and awards.

- (c) For an applicant who is a licensed vocational nurse accepted into or enrolled in an associate degree nursing program, a completed scholarship application shall include information and documentation to establish the following:
- (1) Acceptance to or enrollment as a part-time or full-time student in an associate degree nursing program;
 - (2) Proof of vocational nursing licensure, including license number issued by the California Board of Vocational Nurses and Psychiatric Technicians;
 - (3) Official copy of transcripts for all coursework related to nursing education;
 - (4) Health-related work experience;
 - (5) Community background, including current or prior residence in a medically underserved area in California;
 - (6) Career goals;
 - (7) Financial need, documented by either a current:
 - (A) Student Aid Report (SAR) or
 - (B) Federal tax return and all W-2s;
 - (8) Expected date of graduation and registered nurse licensure;
 - (9) Length of time before the applicant would be able to provide services in a medically underserved area in California where the applicant would propose to practice;
 - (10) Community involvement, including extracurricular activities;
 - (11) Commitment to practice in direct patient care for twenty-four months in a medically underserved area in California;
 - (12) Two (2) letters of recommendation, dated within six (6) months of the application deadline, including author's name, mailing address, phone number, and relationship to applicant. It is recommended that at least one (1) letter be from a faculty member. It is useful if letters indicate an applicant's academic performance, work experience, community service, volunteer activities, memberships in clubs, or other experience that indicates the applicant's likelihood of program success.
 - (13) A personal statement indicating qualifications, attributes, or characteristics that would increase the likelihood the applicant would continue to practice in a medically underserved area in California after service obligation has ended; and
 - (14) Any other information the applicant believes is relevant, such as certificates, honors and awards.
- (d) There shall be two (2) scholarship application deadlines per year, April 10 and October 10.
- (1) Applications for scholarships for academic periods that begin on or after August 1 and by December 31 shall be filed by the previous April 10.
 - (2) Applications for scholarships for academic periods that begin on or after January 1 and by July 31 shall be filed by the previous October 10.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97914 Selection Process

In selecting scholarship recipients, the Foundation shall take into consideration those factors that it determines indicate the greatest probability of program success and the nursing or vocational nursing workforce needs of the state in general and of each medically underserved area.

Authority cited: Sections 127010 and 128360, Health and Safety Code; Section 11152, Government Code

Reference: Sections 128345 and 128350, Health and Safety Code

Section 97915 Disbursement of Scholarship Award

- (a) The scholarship award shall be issued on behalf of the recipient to the educational institution where the recipient is enrolled.
- (b) The educational institution shall deduct tuition and other fees charged by the school and then issue a check for any balance of the scholarship award to the recipient.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97916 Service Obligation Provisions for Scholarship Recipient

- (a) Each scholarship recipient shall agree to a service obligation of twenty-four months to practice nursing in direct patient care in a medically underserved area in California. The service obligation must be fulfilled on a full-time basis. "Full-time" basis means a work week of not less than thirty-two (32) hours.
- (b) Each vocational nursing scholarship recipient shall commence the practice of vocational nursing in a medically underserved area in California within twelve (12) months after completing their vocational nursing program and obtaining their license with the Board of Vocational Nurses and Psychiatric Technicians.
- (c) Each licensed vocational nurse scholarship recipient who is an associate degree nursing student shall commence the practice of nursing in a medically underserved area in California within six (6) months after completing their associate degree nursing program and obtaining their license with the Board of Registered Nursing.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97917 Penalties for Failure to Comply with Requirements of Program

- (a) Penalties for failure to comply with the requirements of this scholarship program shall be as specified in Section 97737 of Chapter 14 of this Division, except that total repayment shall be required in monthly installments within seven (7) years.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

ARTICLE 3. LOAN REPAYMENT PROGRAM PROVISIONS

Section 97920 Loan Repayment Eligibility

- (a) To be eligible for loan repayment, an applicant must:
- (1) Be a licensed vocational nurse, and
 - (2) Practice as a vocational nurse in direct patient care in a medically underserved area of California.
- (b) An applicant who has signed a contract or written agreement with another entity to practice their health profession in exchange for financial assistance, including tuition reimbursement, scholarship, loans, or loan repayment, shall be ineligible to receive a loan repayment under this Chapter until the obligation to this other entity has been fulfilled.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97921 Loan Repayment Awards

- (a) The Office will contract to repay a specified amount, on behalf of the program recipient, toward the principal, interest, and related expenses on outstanding governmental and commercial educational loans, not in default, related to the recipient's vocational nurse education.
- (b) A loan repayment award amount shall not exceed the estimated annual average cost to attend vocational programs throughout California, as provided by the California Student Aid Commission, for the academic year in which the repayment application has been submitted.
- (c) The loan repayment amount awarded shall not exceed the total amount of debt owed on outstanding governmental and commercial educational loans for vocational nurse education.
- (d) The Office may agree to repay all of a particular loan, or only partially repay a loan.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97922 Loan Repayment Contracts

- (a) The Office will enter into one (1) loan repayment contract per recipient at a time.
- (b) The Office may enter into an additional loan repayment contract if:
 - (1) The recipient applies for an additional loan repayment;
 - (2) The recipient has fulfilled the terms and conditions of the previously-awarded loan repayment contract; and
 - (3) The recipient otherwise continues to be eligible to participate in the program.
- (c) The Office shall not award more than three (3) contracts to any recipient.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97923 Terms of Loan Repayment

- (a) Loan repayments shall be made on a quarterly basis.
- (b) Loan repayments shall be conditioned upon the recipient providing:
 - (1) Quarterly reports substantiating service in a medically underserved area in California, and
 - (2) Updated lender statements.
- (c) The recipient shall continue to make any required periodic payments concurrently with payments made by the Office to avoid defaulting on outstanding loans.
- (d) Nothing in this section shall prohibit the Office from paying a recipient directly, instead of a lender or note holder.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97924 Loan Repayment Application Process

- (a) Each person desiring a loan repayment shall submit a completed application.
- (b) The completed loan repayment application shall include information and documentation to establish the following:
 - (1) An official copy of transcripts or coursework with vocational nurse certificate of completion posted;
 - (2) Current employment as a vocational nurse in direct patient care;
 - (3) Proof of vocational nursing licensure, including license number issued by the California Board of Vocational Nurses and Psychiatric Technicians;
 - (4) Community background, including current or prior residence in a medically underserved area in California;
 - (5) Career goals;
 - (6) Financial need, documented by either a current:

- (A) Student Aid Report (SAR) or
- (B) Federal tax return and all W-2s;
- (7) The loan repayment amount requested with documentation on outstanding educational loans including the current outstanding loan balances(s);
- (8) Community involvement, including extracurricular activities;
- (9) Commitment to practice as a licensed vocational nurse for twenty four (24) months in a medically underserved area in California;
- (10) Two (2) letters of recommendation, dated within six (6) months of the application deadline, including author's name, mailing address, phone number, and relationship to applicant. It is recommended that at least one (1) letter be from a faculty member. It is useful if letters indicate an applicant's academic performance, work experience, community service, volunteer activities, memberships in clubs, or other experience that indicate the applicant's likelihood of program success;
- (11) A personal statement indicating qualifications, attributes, or characteristics that would increase the likelihood the applicant would continue to practice in a medically underserved area in California after service obligation has ended; and
- (12) Any other information the applicant believes is relevant, such as certificates, honors, and awards.
- (c) There shall be two (2) loan application deadlines per year, April 10 and October 10.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97925 Selection Process

In selecting loan repayment recipients, the Foundation shall take into consideration the vocational nursing workforce needs of the state in general and of each medically underserved area.

Authority cited: Sections 127010 and 128360, Health and Safety Code; Section 11152, Government Code

Reference: Sections 128345 and 128350, Health and Safety Code

Section 97926 Service Obligation Provisions for Loan Repayment Recipient

- (a) For each loan repayment contract, the recipient shall agree to a service obligation to practice vocational nursing in direct patient care for twenty-four months in a medically underserved area in California. The service obligation must be fulfilled on a full-time basis. "Full-time" basis means a work week of not less than thirty-two (32) hours.
- (b) The service obligation for each loan repayment contract shall become effective and shall commence upon the signing of the contract between the Office and the recipient.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code

Section 97926 Penalties for Failure to Comply with Requirements of Program

Penalties for failure to comply with the requirements of this loan repayment program shall be as specified in Section 97747 of Chapter 14 of this Division, except that total repayment shall be required in monthly installments within seven (7) years.

Authority cited: Section 127010, Health and Safety Code; Section 11152, Government Code

Reference: Section 128485, Health and Safety Code